

From: Alan Reichel [reichel@bigpond.net.au]
Sent: Friday, 23 February 2001 1:55 pm
To: TEMP, NGPAC (PIRSA)
Subject: Proposed Amendment to the Third Party Access Code for Natural Gas Pipeline Systems
Energy Users Association of Australia
Suite 1, Level 2
19 - 23 Prospect Street
Box Hill VIC 3128
22nd February 2001

The Executive Officer
Natural Gas Pipeline Advisory Committee
Level 13, Wakefield House
30 Wakefield Street
Adelaide SA 5000

Dear Sir / Madam

Proposed Amendment to the Third party Access Code for Natural Gas
Pipeline Systems: Darwin to Moomba Natural Gas Pipeline

The Energy Users Association of Australia is pleased to comment on the proposed amendment to the third party access code for the Darwin to Moomba natural gas pipeline.

The Energy Users Association of Australia was formed on the 1st January 2001 by amalgamating the existing Australian Gas Users Group and the Energy Users Group of Australia. It is an association of major energy users (electricity and gas) formed to represent the interests of its members on a range of energy policy, regulatory, customer and industry issues.

We trust that the following comments will be considered by the Committee and assist in arriving at a fair and equitable decision on this important matter.

While we are keen to see new pipelines built that will provide an increased level of competition in gas markets in Australia we remain concerned at any amendment to the National Third Party Access Code that is made for the purpose of a specific third party access application.

Uniform treatment of all access applications under the National Gas Code has proved to be satisfactory for access applications considered to date and in our view should be used as a guiding principle for access applications into the future.

Certainly there have been issues in access reviews where gas users have been disappointed at final outcomes but the review process followed under the Code has been uniform, transparent, and open to all interested parties. It is critical that each of these features is preserved in future access reviews.

The Code was developed to address the specific needs of the gas transportation industry. Part IIIA of the Trade Practices Act is much more general in its coverage and less specific in its criteria than the Code.

A major difference between the two processes that is critically important to customer groups is that of information disclosure. The Gas Access Code has specific compliance requirements regarding information disclosure - including that relevant to Attachment A of the Code. The absence of adequate information takes away the ability of interested parties to participate effectively in any access review.

In view of the above the Energy Users Association of Australia recommends that Option C be pursued by the Committee:

* In the short to medium term, progressing any desirable amendments identified under section 4 that could improve the Code's application to greenfields pipelines

prior to the major review of the Code

- * In the medium term, addressing the issue of regulatory overlap and the broader issues regarding regulatory certainty for greenfields pipelines as part of the major review of the Code, taking into account the outcomes from the Part IIIA review.

Yours sincerely

Alan Reichel
Director - Gas Markets
Energy Users Association of Australia